

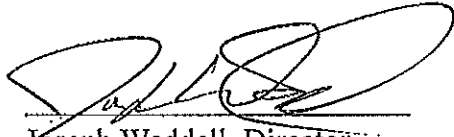
CLASS DEVIATION FINDINGS AND DETERMINATION
DEAR 950.7006, Statutory nuclear hazards indemnity agreement

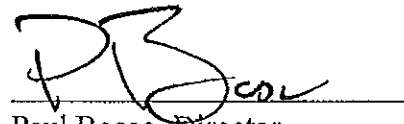
Findings

1. On August 8, 2005, the Energy Policy Act of 2005, (EPACT), Pub.L. 109-58, became law. The EPACT contained sections 601 through 610, known as the Price-Anderson Amendments Act of 2005 (PAAA 2005), which amended section 170 of the Atomic Energy Act of 1954 (AEA). Section 170d, requires that the Secretary enter into agreements of indemnification with any person who may conduct activities under a Department of Energy contract that involve the risk of public liability for a nuclear incident or precautionary evacuation. The indemnification provision provides a structure that assures that monies are readily available to remedy damage to the public that may occur as a result of a nuclear incident or precautionary evacuation. The PAAA 2005 altered the indemnity provision by, amongst other things, establishing a \$10 billion limitation of indemnity (to be adjusted for inflation at least once every five years) for a nuclear incident or precautionary evacuation within the United States and increasing the indemnification for a nuclear incident occurring outside the United States involving U.S.-owned nuclear materials from \$100 million to \$500 million.
2. The clause at DEAR 952.250-70 (JUN 1996) reflects the statutory indemnity prior to the enactment of the PAAA 2005.
3. The DEAR will be updated in an upcoming rulemaking to reflect the changes.

Determination

It is hereby determined that a class deviation from DEAR 950.7006, Statutory nuclear hazards indemnity agreement, is appropriate pending formal amendment of the DEAR Clause 952.250-70, Nuclear Hazards Indemnity Agreement. An alternative model clause for use in place of DEAR Clause 952.250-70 until the DEAR is amended shall be provided by Acquisition Letter.


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SUMMARY

Class Deviation DEAR 950.7006, Statutory nuclear hazards indemnity agreement

Purpose:

The purpose of this Class Deviation is to allow deviation from DEAR 950.7006 for the use, via forthcoming Acquisition Letter (AL), of an alternative model clause to DEAR 952.250-70 (JUN 1996) that incorporates the revised Price-Anderson Amendments Act (PAAA 2005) at sections 601-610 of the Energy Policy Act of 2005 (EPAct 05; Pub. L. 109-58, August 8, 2005). The clause at DEAR 952.250-70 (JUN 1996) reflects the statutory indemnity prior to enactment of PAAA 2005.

Comments:

None